GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2213
ANSWERED ON:14.08.2006
SPOT PRICE OF WHEAT
Singh Shri Chandra Bhushan

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the spot price of wheat and sugar has declined despite the rise in its retail prices;

(b) if so, the details and the reasons therefor;

(c) whether the said prices are likely to decline further with the physical arrival of imported wheat and sugar;

(d) if so, the details thereof; and

(e) the steps taken to protect the interest of the domestic farmers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN)

(a) & (b): Out of 18 centres across the country which are reporting retail prices, there was an increase in retail prices of wheat only at one centre , viz, Lucknow over the week as on 10.08.2006 . As regards sugar, retail price of sugar did not increase at any centre over the week as on 10.08.2006. Spot prices of wheat have recently shown a firming up trend. Spot prices of sugar show a mixed trend.

(c) & (d): With increase in domestic availability, other things remaining the same, the prices may be expected to decline.

(e) : The Government`s price policy for agricultural commodities , inter-alia, seeks to ensure stabilization of prices. In this regard, the Government announces Minimum Support Prices (MSPs) for major crops. MSPs enable the farmers to sell their produce at remunerative prices whenever the market prices tend to fall below the MSP. The Government also implements the Market Intervention Scheme (MIS) in respect of the agricultural commodities which are not covered under the MSP scheme. Under MIS, procurement operations are permitted to be carried out by the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) or State designated agencies on the request of the State Governments to protect the interest of farmers from distress sale of their produce in the event of glut, provided the concerned States undertake to share the losses in such operations.